

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.



CERTIFIED PUBLIC ACCOUNTANTS

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July 12, 2012

Office of Legislative Auditor
Attn: Sudha Rawal, CPA
P O Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Ms. Rawal,

We understand that an Affidavit and Revenue Certification had been previously submitted to the Legislative Auditor on March 16, 2012, which certified that Louisiana Troopers Charities, Inc. received less than \$50,000 for the year ended December 31, 2011. During the course of our annual audit of a related organization and after March 16, 2012, we discovered that a bank account belonging to Louisiana Troopers Charities, Inc. was erroneously recorded on the books of the related organization. After posting all account activity for the year on the books of Louisiana Troopers Charities, Inc., total revenue for the year ended December 31, 2011 exceeded \$50,000.

At the request of the Board of Directors, we conducted an annual audit of the financial statements of Louisiana Troopers Charities, Inc. We understand that because total revenue received was more than \$50,000 but less than \$200,000 the organization was required to submit an annual compilation, however, because a full audit was performed in accordance with *Government Auditing Standards* we have submitted an annual audit in lieu of a compilation.

If we can be of any further assistance, please do not hesitate to call.

Yours truly,
Hawthorn, Waymouth & Carroll, L.L.P.

By 

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 12 2012

REISSUE

Louisiana Troopers Charities, Inc.
Baton Rouge, Louisiana
December 31, 2011

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July 10, 2012

Independent Auditor's Report

Board of Directors
Louisiana Troopers Charities, Inc.
Baton Rouge, Louisiana

We have audited the accompanying statement of assets, liabilities and net assets - modified cash basis of

**Louisiana Troopers Charities, Inc.
(A Non-Profit Organization)**

as of December 31, 2011, and the related statement of revenue, expenses and change in net assets - modified cash basis for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Troopers Charities, Inc. as of December 31, 2011, and the change in its net assets for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 10, 2012 on our consideration of Louisiana Trooper Charities, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important in assessing the results of our audit.

Yours truly,

Hawthorn, Waymouth & Carroll, LLP

Louisiana Troopers Charities, Inc.
Statement of Assets, Liabilities and Net Assets –
Modified Cash Basis
December 31, 2011

A s s e t s

Assets	
Cash	\$14,226
Fixed assets, net	<u>48,751</u>
Total assets	<u>\$62,977</u>

Liabilities and Net Assets

Liabilities	
Due to related party	<u>\$ 5,000</u>
Total liabilities	5,000
Net Assets - Unrestricted	<u>57,977</u>
Total liabilities and net assets	<u>\$62,977</u>

The accompanying notes are an integral part of these statements

Louisiana Troopers Charities, Inc.
Statement of Revenues, Expenses and Change in Net Assets -
Modified Cash Basis
Year Ended December 31, 2011

<u>Unrestricted</u>	
Revenues	
Grant income	\$21,667
Contributions and other	44,458
Interest income	<u>5</u>
Total revenues	<u>66,130</u>
Expenses	
Program Expenses	
Sudden Impact project	17,398
Trooper assistance	5,157
Donations and Grant-a-Wish	<u>8,156</u>
Total program expenses	<u>30,711</u>
Fundraising Expenses	<u>11,725</u>
General and Administrative Expenses	
Accounting fees	825
Administration fees	3,000
Bank charges	2,016
Contract labor	22,200
Depreciation	7,814
Miscellaneous	<u>750</u>
Total general and administrative expenses	<u>36,605</u>
Total expenses	<u>79,041</u>
Change in Net Assets	(12,911)
Net Assets, beginning of year	<u>70,888</u>
Net Assets, end of year	<u>\$57,977</u>

The accompanying notes are an integral part of these statements

Louisiana Troopers Charities, Inc.
Notes to Financial Statements
December 31, 2011

Note 1-Summary of Significant Accounting Policies

A Nature of Organization

The purpose of Louisiana Troopers Charities, Inc. ("the Organization") is to assist in educational and community oriented programs that promote or improve the standing of the Louisiana State Police in the communities of this State. This is accomplished through a variety of educational and community service venues

The Organization also provides charitable relief assistance during times of crisis or disaster to any member of the Louisiana State Police. This is achieved in the form of direct assistance or monetary grants/awards

B Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The modified cash basis of accounting differs from generally accepted accounting principles in that revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred.

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets include those net assets whose use by the Organization is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation. Temporarily restricted net assets are those net assets whose use by the Organization has been limited by donors (a) to later periods of time or other specific dates, or (b) to specified purposes. Permanently restricted net assets are those net assets received with donor-imposed restrictions limiting the Organization's use of the assets. At December 31, 2011, the Organization had no temporarily or permanently restricted net assets.

C Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

D Fixed Assets

Fixed assets are stated at cost, or, if donated, at the approximate fair value at the date of donation. Depreciation of fixed assets is based upon the estimated useful lives of the related assets utilizing the straight-line method. The Organization's policy is to capitalize expenditures for those items in excess of \$500. The estimated useful life of equipment is 3 years.

E Income Taxes

Louisiana Troopers Charities, Inc. has been recognized by the Internal Revenue Service as a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes. The Organization is not classified as a private foundation. Accordingly, no provision for income taxes on related income has been included in the financial statements.

Louisiana Troopers Charities, Inc.
Notes to Financial Statements
December 31, 2011

Note 1-Summary of Significant Accounting Policies (Continued)

E Income Taxes (Continued)

In management's judgment, the Organization does not have any tax positions that would result in a loss contingency considering the facts, circumstances, and information available at the reporting date

With few exceptions, the statute of limitations for the examination of the Organization 's income tax returns is generally three years from the due date of the tax returns including extensions. The tax years open for assessment are the years ending on or after December 31, 2008

Note 2-Fixed Assets

A summary of fixed assets at December 31, 2011 is as follows

Equipment	\$56,565
Less accumulated depreciation	<u>(7,814)</u>
	<u>\$48,751</u>

Depreciation expense for the year ended December 31, 2011 was \$7,814

Note 3-Related Party Transactions

Louisiana Troopers Charities, Inc. is a separate legal organization managed by Louisiana State Troopers Association, Inc ("LSTA"). This organization is not included in LSTA's accounts as there is no economic interest between the parties.

The Organization paid administrative fees of \$3,000 to LSTA in 2011 for the use of equipment and office space under a contractual agreement.

Due to related party represents the amount owed to LSTA to repay funds that LSTA advanced to the Organization.

Note 4-Contingencies - Grant Program

Louisiana Troopers Charities, Inc. participates in grant programs which are governed by various rules and regulations. Costs charged to the grant programs are subject to audit and adjustment by the grantor agency, therefore, to the extent that the Organization has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the grants, therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed on by the grantor agency and the Organization.

Louisiana Troopers Charities, Inc.
Notes to Financial Statements
December 31, 2011

Note 5-Concentration

Approximately one-third of total revenue received by Louisiana Troopers Charities, Inc in 2011 was from the Louisiana Commission on Law Enforcement grant.

Note 6-Subsequent Events

Management of the Organization evaluated all subsequent events through July 10, 2012, the date the financial statements were available to be issued. As a result, management noted no subsequent events which required adjustment to, or disclosure in, these financial statements.

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July 10, 2012

**Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards***

Board of Directors
Louisiana Troopers Charities, Inc
Baton Rouge, Louisiana

We have audited the financial statements of Louisiana Troopers Charities, Inc. (a nonprofit organization) as of and for the year ended December 31, 2011, and have issued our report thereon dated July 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Louisiana Troopers Charities, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Troopers Charities, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Troopers Charities, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within the organization, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Yours truly,

Hawthorn, Wagnon & Carroll, LLP

Louisiana Troopers Charities, Inc.
Schedule of Current Year Findings and Questioned Costs
Year Ended December 31, 2011

Findings - Financial Statement Audit

None

Louisiana Troopers Charities, Inc.
Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2011

Findings - Financial Statement Audit

None